



ICTs for the Effective usage of Blue Ocean Strategy for Societal Development: An analysis with reference to the parameters of capability

Vinay Sharma¹, Piyush Seth^{2*} and Shujauddin Niyazi³

ABSTRACT

This paper looks towards efficient usage of ICTs (Information and Communication Technology) so as to effectively use Blue Ocean Strategy at the grass root levels for enhancing the propulsion of societal development at large. The paper suggests that ICTs can be used as an efficient tool to develop uncontested markets, resulting in the rise of the Bottom of the Pyramid market levels along with the 'capability' (Sen, A., 2000), enhancement of the rural and the poor population for the overall societal development. The paper first proposes the parameters of capability found through empirical research and analysis and subsequently extends the proposition in lieu with Blue Ocean Strategy.

Keywords: ICTs, Capability, Blue Ocean Strategy, Development

1. Introduction

Role of Information and Communication Technologies (ICTs) has been exemplified through various efforts and ventures established throughout the country. Some of the prominent efforts (wherein ICTs are being used for the rural and the poor/Bottom of the Pyramid Markets (Pralhad C.K., 2002)) which are being made in the areas ranging from the dissipation of the information to online trading of commodities to telemedicine to education and many others are taking a larger shape as in the case of ITC's e-choupal (www.echoupal.com), Narayan Hrudayalaya in Karantaka (<http://www.hrudayalaya.com>), Akshaya (www.stedkerala.org), Nabanna, e Seva (e services) of West Godavari District, Andhra Pradesh, eSwasthya - health in a card. Also there are commendable efforts made by organizations like Hindustan Lever's Shakti www.hll.com and ICICI www.icici.com wherein they are using ICTs for the development of the rural markets and 'LOKVANI' www.sitapur.nic.in/Lokvani, a multiutility and services based IT enabled effort of the district administration of Sitapur (a district in the state of Uttar Pradesh) which is aggressively replicated by the state government in the other districts as well as other states too for readdressing the problems and the grievances of the common man. Innovative use of ICTs for development has become the *mantra* of the present as well as future.

W. Chan Kim and Renee Mauborgne (2005), in their path breaking expression called Blue Ocean Strategy state that "Our research confirms that there are no permanently excellent companies, just as there are no permanently excellent industries. As we have found on our own tumbling road, we all, like corporations do

¹ 15/112, Indira Nagar, Lucknow- 226016, India

² Sahara Arts and Management Academy, Bakshi Ka Talab, Sitapur Road, Lucknow, India

³ Qabar Mamu Bhanja, Haider Mirza Road, Aminabad, Lucknow- 226 018, India

* *Corresponding Author:* (Email: piyush21oct@rediffmail.com, Telephone: 91-522-2396873)

smart things and less than smart things. To improve the quality of our success we need to study what we did that made a positive difference and understand how to replicate it systematically”. Blue Ocean Strategy is suggestive of going apart from conventions or breaking away from conventions. It gives a new dimension to INNOVATION, it puts together the aspect of VALUE with innovation and terms it as VALUE-INNOVATION and suggests that value innovation occurs only when companies align innovation with utility, price and cost positions (Kim & Renee, 2005), which all together are the aspects of Innovation in Management Practices which has an imbibed aspect of Effective Usage of Information and Communication Technology.

This paper refers to the development that takes place through the effective usage of Information and Communication Technology (ICTs) with regards to the Business as well as the Market Development at the Bottom of the Pyramid (Prahalad C.K., 2002) market levels which is likely to enhance the ‘capability’ (Sen, A., 2000) of rural population through the business opportunity models like e-choupal.

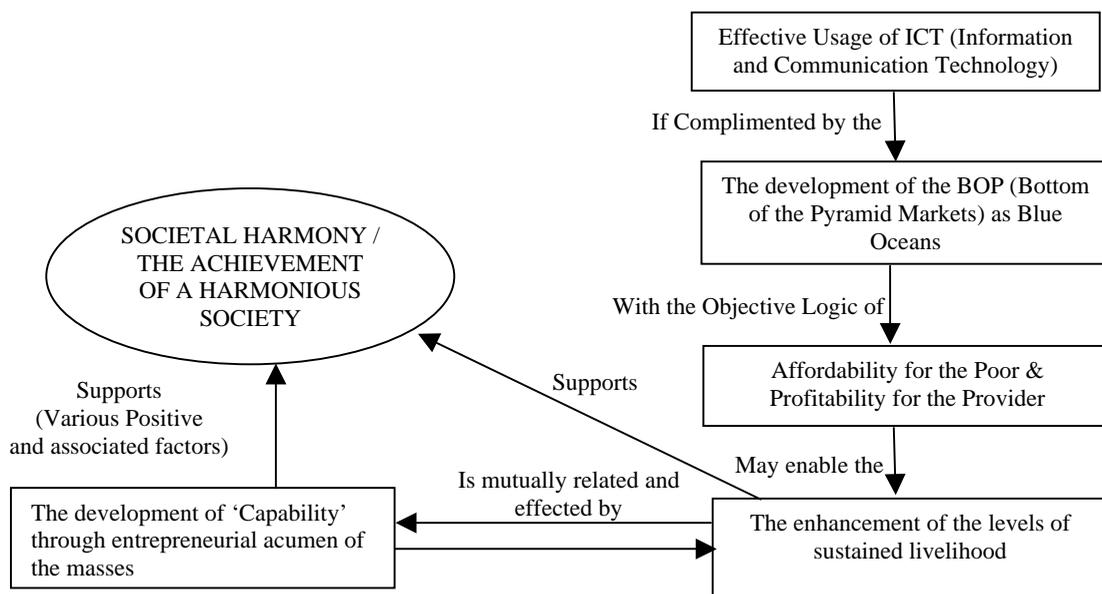


Figure 1: Effective usage of Information and Communication Technology to Develop BOP Markets as BLUE OCEANS to achieve a Harmonious Society

2. Reason for referring to the Concept of Capability as a Measurement Scale

The reasons for taking the concept of ‘Capability’ as a measurement scale is that this approach suggests that development should not only be evaluated in quantitative terms like reducing the poverty, income generation etc. but also be evaluated with respect to substantive freedoms that people have to achieve through alternative combination of functionings (Sen 2000). This concept recommends the real changes in the being of a person with reference to his/her own desires.

The capability approach (Sen, A., 2000) comprehensively talks of the development in terms of substantive freedoms and it also suggests the development of business opportunities as a mode for the same. Efforts like e-choupal and their replicability patterns suggest a scope for the association, which emerges between the factors of business opportunity development it supports and aspect which capability approach demonstrates.

This paper while proposing the effective usage of ICTs for BOP market's development and subsequently proposing 'capability' (Sen, A., 2000) development as the measurement criterion for looking at the rise in the 'Bottom of the Pyramid' (Prahalad C.K., 2002), tried to analyse the parameters of the 'capability' (Sen, A., 2000) as perceived by the rural and the poor/BOP population through a very small research exercise (which still requires a larger effort with regards to data collection, in terms of sample size and the related aspects) wherein few observations have been made primarily to motivate the proponents to go ahead with further research and to conduct the required levels of tools based analysis .

The main objective of the study was to find out the parameters of 'capability' (Sen, A., 2000), as perceived by the rural and the poor people themselves.

3. Research Methodology

Research methodology comprised of unstructured questions which were being asked through Focused Group Discussion situation. The procedure adopted was that, the proponents collected the villagers with the help of influential people of their areas such as the village heads (The Gram Pradhans), the local official available, the doctor in the area, the teacher of the village school and the likes. Further,

- Great care was taken in terms of the factor that the discussion was initiated in an informal manner and then was taken to deeper levels, while smaller groups were let to emerge on the basis of similarity of opinions from the initially larger groups of 60-70 people in each case.
- Every discussion took more than 3 hours each and then subsequent discussions to develop a deeper understanding of the queries were held with the people through whom the proponent contacted the villagers. The basic reason for such types of group discussions to be organized, instead of going for individual interviews was that as per the recommendations by the influential people mentioned above, and also as per the proponents initial observations, it was found that the group discussions were more effective to bring in proactive discussion as well as the responses.

4. Place and environment where FGDs were held and the Participation Highlights of the FGDs

As described in the preceding paragraph that the Focused Group Discussions were called upon with the support of locally influential people. So, these people like in the case of Chetnagarhi Manoj Dixit, the village development officer was deputed by Rajat Yadav the then Block Development Officer to organize the FGD and Manoj had passed on this information to the Gram Pradhan the Village Head. The day when the researchers reached there, the Village Head took the researchers on a round of the village where he informed the people that a discussion is going to be held at his house and they should come and simultaneously the researchers also got the benefit of suggesting the purpose of the discussion to the prospective respondents while telling them about their required profile for this discussion. Here, it is imperative to suggest that even the most well off villagers were found eligible to participate in the discussion because a) those were not too many in numbers and b) they were also found short of information and money (buying power) to an extent as compared to their poorer counterparts.

Once the people gathered in the premises of the Village Head, an informal chat about their Health, literacy and other demographic aspects was and their understanding about their priorities with regards to their circumstances and the understanding of aspects related to life and the related subject was initiated which got converted into a debate soon and on the basis of the difference of opinion (this difference of opinion was usually based on the personal experience, which finally in almost all the cases) converged into common basis of dissatisfaction and satisfaction as applicable finally producing common findings to a larger extent. Again as a very usual practice the older people were always proactive in the discussion in the early rounds of the discussions and later the younger lots always emerged the discussion leaders. Once the groups polarized the discussion was made more systematic as per the predefined sequence of the queries

and questions and only constructive debates were allowed amongst the participants. Here was the time where few deeper narrations also came upfront. A total of around 300 respondents were contacted during this course.

Key Parameters of Capability Discussed

- Social
- Political
- Health
- Education
- Economic

5. Key Questions and the Observations made thereafter

- i) Do you think that the distance between your village and the nearest post office affects your frequent communication with others? This question intended to ask that if the distance between the villages and the nearest post office effects the frequent communication of villagers with others. 64% of the total respondents believe strongly that the distance between the villages and the nearest post office effects the frequent communication of villagers with others and rest of the 36% of total respondents believe in the same fact but with some less confidence. This answer implies that if the post office would be more accessible for the villagers then it would enhance their capability to communicate with others.
- ii) Do you think that listening radio, watching television and reading newspaper are beneficial for you and you get required important informations by these mediums for your concerned livelihood? This question intended to ask that if listening radio, watching television and reading newspaper are beneficial for the respondents and they get the required information by these mediums for their concerned livelihood. 67% of the total respondents strongly believe that listening radio, watching television and reading newspapers are beneficial for the respondents and they get the required information by these mediums for their concerned livelihood and rest of the 33% also believe in the same fact but with some less confidence. This answer implies that villagers do gain information through the various media i.e. print and electronic which is valuable for their daily operations.
- iii) Do you think that telecommunication plays an important role in your life for being capable? This question intended to ask that if telecommunication plays an important role in the life of the respondents for being capable (Concept of 'Capability' (Sen, A., 2000) was explained to the respondents before hand). 69% of the total respondents strongly believe that telecommunication plays an important role in the life of the respondents for being capable and rest of the 31% believe in the same fact but with some less confidence. This answer implies that the villagers find themselves capable through the use of telecommunication in their daily life.
- iv) Do you spend money on entertainment? This question intended to ask about the expenditure of the respondents on entertainment. 81% of the total respondents say that they spend money on entertainment and rests of the 19% do not spend money on entertainment. This answer implies that most people have the propensity to invest money in facilities providing entertainment.
- v) Do you feel that joint family enhances your capability? This question intended to ask that if joint family enhances the 'capability' (Concept of 'Capability' (Sen, A., 2000) was explained to the respondents before hand). 86% of the total respondents say that joint family enhances the capability of the respondents and rest of the 14% deny that. This answer implies that the respondents do realize the importance of joint family wherein delegation of work and internal social security is a major determinant.
- vi) Do you believe that health is the most important factor for leading whole of your life? This question intended to ask that if health is the most important factor for leading whole of their life. 74% of the total respondents are strongly with the fact that health is the most important factor for leading whole of their life, 21% of the total respondents agree with the same fact with some lesser

- confidence and rest of the 6% of the total respondents totally disagree with this fact. This answer implies that the respondents feel that if proper facilities are provided then it would enable them to lead a healthy and complete life.
- vii) What are your parameters of good health? This question intended to ask the parameters of good health of the respondents. 22% of the total respondents believe in being physically healthy as the parameter of good health, 44.5% believe in staying fit for whole of their lives and rest of the 33% believe in good dental, mental and physical health. This answer implies that the respondents feel that they could earn a better livelihood for their families if they can be physically and mentally fit.
 - viii) Comment on the state of your health for last one year looking at your parameters of Health. This question aims at asking the state of health of the respondents for the past one year keeping in consideration the parameters of health discussed earlier. 71% of the total respondents say that their health was good, 19% say that their health was fairly good and rest of the 10% say that their health was not good since last one year. This answer implies that the respondent who realized the importance of good health and its correlation with their earning potential found themselves in better mental and physical state.
 - ix) Do you consider water resources as one of the reasons for good health? This question intended to ask that do the respondents consider clean water resources as one of the reasons for good health. 98% of the total respondents consider water resources as one of the reasons for good health and rest of 2% deny that. This answer implies that the respondents consider hygiene and purity of water resources as an integral part of good and healthy life.
 - x) Do you go to the doctor for regular checkup even when you are not suffering from any disease to stay healthy? This question intends on finding out whether there are regular checkup of the respondents by the doctor even when they are not suffering from any disease to stay healthy. 21% of the total respondents say that they go to the doctor for regular checkup when not suffering from any disease and 79% say that they don't go to the doctor for regular checkup when not suffering from any disease. This answer implies that the respondents only visit the doctors in case of emergencies otherwise they avoid going for regular normal check ups.
 - xi) Do you have proper health facilities and personnel in your vicinity? This question intends to find about the availability of proper health facilities in the vicinity of the respondents. 38% of the total respondents say that the proper health facilities are available in their vicinity but 62% don't agree with it and they say that there are not proper facility of doctors, hospitals and whenever they require they do not get the sufficient medial facility. This answer implies that there is a dearth of availability of proper health facilities in the nearby areas of the respondents.
 - xii) Do you consider that education plays an important role in your life for being capable? This question intended to ask that education plays an important role in the life of respondents for being capable. 76% of the people strongly say that education play an important role for being capable and 21% of the total respondents say that education somewhat play an important role. This answer implies that the awareness among the respondents about the role of education in one's life for becoming capable.
 - xiii) What type of education you want? This question intended to ask which type of education they needed. 45% of the total people say that they believe in skill related education, 16% of the total people say that they believe in literacy related education, 12% say that they believe in qualification related education and 26% of the total people say that they believe in job oriented education. This answer implies that the respondents are more inclined towards education that would provide them with jobs for their livelihood.
 - xiv) In the past one year, do you feel that political leaders (Pradhan, MLA, MLC MP) associated with your village? This question intended to ask about the development of respondent's village by the political leaders (Pradhan, MLA, MLC, MP) associated with their village. 67% of the respondents say that development of their villages has been done by the associated politicians of their villages but rest of the 33% keep the entirely different view on this issue they don't find any of the

associated politicians for the development of their area (Though development has an abstract criterion for the respondents). Though majority of the respondents believe that the development attained by their village during the past one year was due to the association of political leaders whereas some of them do hold the same opinion.

6. Correlation of the parameters of ‘Capability’ with ICT based Business Opportunity Development interventions:

The parameters which primarily are observed to be emerging with reference to the rural-poor’s desires in relation to ‘capability’ (Sen, A., 2000), are related to:

- Health and being Healthy,
- Being Educated,
- Having access to Communication and modes of Communication,
- Having access to the Media and Information Systems,
- Staying in a Joint Family and having Ownership of Land.

Therefore, looking at the categories of parameters emerging, primarily it is commended that the efforts like e-Choupal , Yeshaswini, SKS Microfinance, Mann Deshi Udyogini and the likes are putting their efforts in the right direction of creating Blue Oceans (Kim & Renee, 2005), wherein the ventures which are working on the aspects of the development of Business Opportunity are a step ahead as they are contributing in the process of the ‘capability’ (Sen, 2000), development of the concerned population to a larger extent.

The innovative usage of ICTs for the rural market development is observed to be increasing the levels of sustainable livelihood opportunities, which as per several researches and reports is associated with reduction in crime and creation of a harmonious society. There is already plenty of evidence that unemployment has many far-reaching effects other than loss of income which include loss of work motivation, skill and self-confidence, increased ailments and morbidity (and even mortality rates), disruption of family relations and social life, hardening of social exclusion and accentuation of racial tensions and gender asymmetries (Sen A., 2000). Therefore this paper emphasizes the importance of eradication of unemployment or development of sustainable livelihood through the innovative use of ICT in public service delivery and rural market development as a means of achieving societal harmony.

7. Conclusion Remarks

Importance of e-Governance for facilitating the process of ‘Societal Development’ by poverty alleviation through the development of ‘capability’ (Sen A., 2000) levels of the ‘Bottom of the Pyramid’ (Pralhad C.K., 2002), population levels with the prespective of the usage of ‘Blue Ocean Strategy’ (Kim & Renee, 2005) has been discussed in this paper. This paper has looked at poverty and poverty alleviation from the point of view of Sen's Capability Approach (Sen, 2000). Here, the paper has proposed for ICTs to be used as a mode primarily to provide access to information to the rural poor, which subsequently can be used as per the individual's requirements. Lot has been done in the field of usage of ICTs and the usage of e-mode for various purposes; this paper has taken note of those developments and has tried to derive learning from e-choupal, an ITC venture and some of the similar efforts in various other areas. The replicability aspects of the proposition to the extent it can be used has also been considered. This paper is suggestive of a broad framework and a model, which would be having a scope of customization. The objective here is the reduction of unfreedoms (Sen, 2000) and development of sustainable livelihood (Osmani, 2003) as a part of the poverty alleviation and the ‘capability’ (Sen, 2000) development process. There are issues to be resolved but those would be perceived with reference to the priorities in lieu of the strength of the obstructions they would pose to the implementation process. Few issues might resolve in due course of time (with support of the market forces and along with the rise in the levels of acceptability of the beneficiaries towards the process) and others have to be dealt with the support of the policy changes and IT

business with social benefits will still make economic sense. The paper also accepts that a larger research base has to be associated with this kind of a proposition and the proponents of this paper are working in lieu with the same, wherein more precise results based on the usage of specific analytical tools are expected with the due course of the research which is currently being conducted with a longitudinal research design approach. The scope and the limitations of the study at this stage is that it is within the geographical boundaries of Uttar Pradesh. Further, the study is in the very initial most stages and therefore statistical inferences on the basis of the appropriate usage will appear after further data collection and that too in a longitudinal framework.

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About the Authors

Vinay Sharma is Ph.D. from U.P. Technical University, Uttar Pradesh and MBA from Philippine Christian University, Manila. Has around 15 years of Experience, in the areas of Business Opportunity, Development, Market Development, Brand Development, IT enabled Services and is Teaching for past six years. His areas of interests include Poverty Alleviation through Business Development, Market Development and Technology wherein he has designed and proposed a specialized model recognized by the name “Affordability for the Poor and Profitability for the Provider” for the provision of health to the rural and the poor population in India through an extensive research which, has been acknowledged at various platforms. The model and his research concentrates on development of health leading to business opportunity development which leads to co-creation of value and that subsequently leads to the capability development of the people at the bottom of the pyramid. He is an associate and a member of the founding group of the Network of Asia Pacific Schools and Institutes of Public Administration and Governance constituted by Asian Development Bank in December 2004 and the Associate Editor of the E-Journal of NAPSIPAG. He has published and presented papers at national and international platforms especially in his areas of interest. He has edited an internationally circulated journal and is a member of Editorial Board of GBR and Chinese Public Administration Review.

Piyush Seth, An MBA from Uttar Pradesh Technical University Lucknow. He is teaching marketing based subjects in Sahara Arts and Management Lucknow. His core area of interest is rural marketing and its association with Amartya Sen’s Capability Approach.